

**EMPLOYMENT AGREEMENT
BETWEEN THE CITY OF NEVADA CITY AND CATRINA OLSON**

THIS AGREEMENT On January 10, 2018 the City Council selected Catrina L. Olson (hereafter “City Manager”) to serve as City Manager for the City of Nevada City (“City”), and City Manager accepts such employment. Accordingly, the parties agree as follows:

WITNESSETH

WHEREAS, City desires to contract for services of an Employee as City Manager and to provide for him such terms and conditions of employment to appropriately compensate him for the responsibilities and duties of the position of City Manager; and

WHEREAS, in addition to the terms and conditions of employment and associated compensation for the City Manager, it is the desire of the City to mutually agree upon working conditions and understanding of the authorities of the position and the expectations of both the City and the Manager.

NOW, THEREFORE, the parties agree as follows:

1. Term

The term of this Agreement shall begin on January 10, 2018 (“Start/Appointment Date”) and continue until June 30, 2023

2. Duties

City hereby agrees to employ Catrina L. Olson as the City Manager of the City of Nevada city to perform on a continuing basis the functions and duties which are generally described in applicable City Ordinances, and to perform other legally permissible and proper duties and functions as the City Council of the City shall from time to time assign, and Manager agrees to accept such employment and to perform such functions and duties as directed by the full City Council.

3. Hours of Work

Manager shall attend all City Council meetings, unless excused by the Mayor. Upon the request of the Mayor or City Council, Manager shall attend Planning Commission and various other committee meetings. City Manager shall maintain a regular work schedule but may be required to work outside normal office hours. Manager’s duties may require more than eight (8) hours per day and/or forty (40) hours per week.

4. Compensation

City agrees to pay Manger for services rendered, a base salary of \$115,000 per year, payable in installments at the same time as the other employees of the City are paid. Manager is exempt from overtime compensation under the Fair Labor Standards Act.

City Manager's compensation shall be reviewed at least annually in connection with the annual review required by section 7 below or at other times as may be determined by City Council. Further, it is understood that it is the intent of the City Council to increase salary, or other benefits referred to in this agreement during the five-year term of this Agreement, dependent on the quality of job performance by City Manager and the City's fiscal condition.

5. Other Benefits

a. Health Insurance

City shall pay the premium for health insurance for the City Manager, including spouse and dependents, for health coverage (medical and dental currently 90% - 10% split) vision is 100% covered by employer for employee, dependents 100% paid for by Manager, benefit options as provided to all Management and Supervisory employees per Memorandum of Understanding (MOU).

b. Life Insurance, Short Term and Long Term Disability

City shall provide, without cost to the City Manager, term life insurance, short term disability and long term disability benefit options as provided to all other Management and Supervisory employees. (Currently provides \$25,000 life insurance and \$300 per month for short and long term disability).

c. Vacation

Manager shall accrue vacation leave at the same accrual rate as provided to all other Management and Supervisory employees. Currently accruing four (4) weeks per year to increase to five (5) weeks at fifteen (15) years of employment. The maximum accrual of vacation time shall be four hundred (400) hours with the option to "cash out" up to eighty (80) hours annually during the month of December each year.

d. Holidays

Manager shall receive fourteen (14) holidays per year as provided to all other Management and Supervisory employees per MOU.

e. Administrative Leave

Manager shall receive eighty (80) administrative hours per year as provided to all other Management and Supervisory employees per MOU. This leave may not be accrued, accumulated or carried over from year to year.

f. Sick Leave

Manager shall accrue one (1) day per month of sick leave provided to all other Management and Supervisory employees per MOU. This leave may not be accrued, accumulated or carried over from year to year.

g. Retirement

Manager is a "Classic" Miscellaneous member of the California Public Employee's retirement system. Manager will be covered under the Nevada City's

2.5% at age 55 formula. Manger's contribution towards the retirement system will be the full employees share, of 8%, consistent with all other Miscellaneous Management and Supervisory employees. The City will pay the employer's share to PERS and Social Security and Manager shall pay the employee contribution of Social Security.

h. Automobile and Cell

- i. In recognition of the fact the Manager's normal duties require frequent use of his automobile City shall pay \$100 per pay period as an automobile allowance. This allowance is in lieu of mileage reimbursement or other expenses that may be incurred in connection with use of own vehicle for City purposes. Manager at all times shall maintain automobile liability insurance. This allowance is subject to payroll taxes.
- ii. The City recognizes that the job duties of the City Manager require the use of a cell phone and/or data services (PDA) and the requested allowance is appropriate for the level of business related requirements. Based on the cellular allowance provided to "most" other Management and Supervisory employees Manager shall be eligible for a forty dollar (\$40) per month cell phone allowance.

i. Deferred Compensation

The City shall provide Manager a "match" into deferred compensation of up to \$100 per pay period, not to exceed 26 pay periods annually, into the City 457b plan equitable to the contribution of Manager.

j. Other

Unless otherwise specified herein, all future changes to benefit provisions adopted by the City as they apply to City Management and Supervisory employees shall apply to Manager as well.

6. Professional Memberships & Meetings; Other Expenses

a. Reimbursement

The City agrees to budget and pay travel (other than mileage) and subsistence expenses of the Manager for official travel, meetings and occasions to continue professional development. The City recognizes that certain expenses of non-personal and job-related nature may be incurred by the Manger, City agrees to reimburse Manger for reasonable expenses which are authorized by the City budget; submitted to City Council for approval; and which are supported by expense receipts.

b. Civic Clubs

The City recognizes the desirability of representation in and before local civic and other organizations, and the Manager is authorized to become a member of civic clubs or organizations. Manager shall be reimbursed for dues to participate in such local civic clubs or organizations which Manager believes will advance the goals of the City to enhance communication and partnerships.

c. Professional Development

Subject to available funds and City Council appropriation, City agrees to pay for professional fees, dues and subscriptions on behalf of Manager which are reasonably necessary to the continuation and participation in organizations

7. Annual Performance Evaluation

The City Council shall evaluate City Manager's performance at least once annually. The City Council and City Manager shall annually develop mutually agreeable performance goals and criteria which the City Council shall use in reviewing City Manager's performance in the following year. It shall be City Manager's responsibility to initiate this review each year. City Manager will be afforded an adequate opportunity to discuss each evaluation with the City Council.

8. Indemnification

City agrees to indemnify, hold harmless and defend at its expense Manager from any and all claims, actions, losses, damages, charges, expense or attorney's fees to which Manager may be subject to arising out of, or resulting from, the performance of his duties hereunder, excepting therefrom those matters arising from criminal acts or gross negligence.

9. Termination and Severance

a. Termination of Agreement

This Agreement may be terminated at any time upon the mutual written consent of both City and Manager.

b. Voluntary Resignation

Manager may terminate this Agreement at any time by providing the City not less than thirty (30) calendar days prior written notice.

c. By City without Cause

i. City may terminate Manager without cause by providing Manager not less than thirty (30) calendar days prior written notice. In the event the City Council shall terminate Manager's employment without cause, the City shall pay Manager severance in the sum equal to six (6) months base salary plus six (6) months COBRA health insurance payments for Manager and covered dependents.

ii. Notwithstanding section (i) above, Manager shall not be removed by the City Council during the first one hundred and twenty (120) days following any change in membership of the City Council, except upon a 4/5 (four-fifths) vote of the City Council.

d. By City with Cause

City may terminate Manager for cause, without obligation to make the severance payment to Manager specified in section 9 (c) (i) above, subject to all of the following:

- i. City shall provide Manager written notice of the charges constituting the cause for termination at least ten (10) working days prior to termination.
- ii. Within the ten (10) day period, but not earlier than five (5) working days after the notice has been given, City Council shall meet with Manager in closed session lawfully agendized under the Brown Act and provide Manager an opportunity to address City Council regarding the charges consistent with the Brown Act. After hearing Manager's response to the charges, City Council shall make a decision as to whether to terminate Manager and shall inform Manager in writing of its decision.
- iii. For the purposes of this section, "for cause" means Manager's material breach of this Agreement; conviction of a felony; conviction of a misdemeanor arising out of Manager's duties under this Agreement and involving a willful or intentional violation of law; willful abandonment of duties; or any other intentional or grossly negligent action or inaction by Manager that materially and substantially impedes or disrupts the performance of City or its organizational units, or is detrimental to employee or public safety.

10. Bonding

City shall bear the full cost of fidelity or other bond required under any law or ordinance.

11. Other Terms and Conditions

a. Employment Status

The parties agree that the City Manager position is at-will employment.

b. Terms

City may from time to time fix other terms and conditions relating to the performance of the Manager hereunder, provided such terms and conditions are mutually agreed upon by both parties, and are not inconsistent or in conflict with the provision of this Agreement.

c. Duties

Manager shall perform duties in accordance with all laws, ordinances, rules and regulations applicable to the position. This Agreement shall be interpreted in accordance with the laws of the State of California.

d. Agreement

The entire agreement between the parties with respect to the subject matter hereunder is contained in this Agreement. Except as herein expressly provided to the contrary, the provisions of this Agreement are for the benefit of the parties solely and not for the benefit of any other person, persons or legal entities.

- i. Manager acknowledges that they have not been induced to enter into this Agreement by representation or statements, oral or written, not expressly contained herein or expressly incorporated by reference. City makes no representations, warranties or guarantees contained in this Agreement.
- ii. If any provision or portion of this Agreement is held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement shall be deemed severable, and shall not be affected and shall remain in full force and effect.
- iii. Venue for any disputes arising from or relating to this Agreement shall lie in Nevada County, California. If an action at law or in equity is necessary to enforce or interpret this Agreement, the prevailing party shall be entitled to reasonable and actual attorneys' fees and costs with respect to the action.
- iv. A waiver of any of the terms and conditions of this Agreement shall not be construed as a general waiver and either party shall be free to enforce any term or condition of this Agreement with or without notice to the other notwithstanding any prior waiver of that term or condition.

e. Conflict of Interest

Manager shall also be subject to the Conflict of Interest provisions of the California Government Code and any Conflict of Interest Codes applicable to employment.

f. Voluntary Termination; Death

- i. Manager may voluntarily terminate his employment, by resignation or retirement, at any time during the term of this Agreement, subject to at least thirty days' written notice by City Manager to City, unless the City Council and City Manager agree otherwise. In such case, City shall have no further obligation to provide payments and benefits, including severance benefits, upon the effective date of termination of employment, other than payment of accrued leave.
- ii. If City Manager dies while employed by the City, his beneficiaries or those entitled to his estate shall be paid any earned salary and accrued leave at the City Manager's pay rate on the date of death.

g. Communications

All communications or notice regarding this Agreement shall be sent to the City in care of the Mayor, unless Manager is notified to the contrary in writing. Manager shall advise City, in writing of his residence address for the forwarding of any communication regarding this Agreement. Any written notice hereunder

shall become effective as of the date of mailing the registered or certified mail, and shall be deemed sufficiently given if sent to the address as stated below, or at such other address as may hereafter be specified by notice in writing. In lieu of mailing, written notice shall become effective as of the date it is personally delivered to the addressee.

h. Notices

To City: Mayor
City of Nevada City
317 Broad Street
Nevada City, CA 95959

With a courtesy copy to the City Attorney at the same address above or the address then shown in the records of the City for the City Attorney.

To Manager: Catrina L. Olson
City of Nevada City
317 Broad Street
Nevada City, CA 95959

Or if mailed, shall be sent to the Manager at the address then shown in the City's personnel records.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above, by and between:

CITY OF NEVADA CITY, a Municipal Corporation

City Manager



David Parker Date
Mayor, City of Nevada City

 7/25/18

Catrina L. Olson Date

ATTESTED BY:  _____

Deputy City Clerk, Date:

APPROVED AS TO FORM:  _____

City Attorney, Date:

REPORT TO CITY COUNCIL

July 23, 2019

City of Nevada City
317 Broad Street
Nevada City CA 95959
www.nevadacityca.gov

TITLE: Proposed City Manager Cost of Living Adjustment

RECOMMENDATION: Pass a Motion authorizing a 2.5% cost of living adjustment for City Manager, Catrina Olson to be effective pay period June 1, 2019.

CONTACT: Catrina Olson, City Manager
Loree' McCay, Administrative Services Manager

BACKGROUND / DISCUSSION:

The City Council appointed Catrina Olson to the position of City Manager on January 13, 2019 after performing 6 months as the Interim City Manager.

On May 22, 2019, the City Council held a closed session to complete an evaluation of the City Managers performance from the period of January 13, 2019 to May 22, 2019 (16 months of performance). The Council delivered the final evaluation during the closed session held June 12, 2019.

Council Member Minett and Strawser met with Loree' McCay, Administrative Services Manager, on June 10, 2019 to discuss the available funding within the City's budget for a cost of living adjustment. It was determined that 2.5% was included in the budget for a cost of living adjustment in accordance with the Management and Miscellaneous Bargaining Units.

It is recommended that in the upcoming fiscal year 20/21 the City Manager's evaluation cycle be moved to the period of July 1, 2020 to June 30, 2021.

ENVIRONMENTAL CONSIDERATIONS: Not applicable.

FISCAL IMPACT: The proposed compensation adjustment will result in a total cost of \$4,000 which includes salary and benefits (social security and CalPERS).

ATTACHMENTS: None